

**SOAH DOCKET NO. 473-19-6677  
DOCKET NO. 49831**

**APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE  
PUBLIC SERVICE COMPANY FOR § OF  
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS**

**UPDATE TESTIMONY  
of  
LAWRENCE A. BICK**

*on behalf of*

**SOUTHWESTERN PUBLIC SERVICE COMPANY**

*(Filename: BickRRUpdate.docx; Total Pages: 36)*

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<sup>1</sup> For ease of cross-referencing this update testimony with the original direct testimony filed on August 8, 2019, the sections and subsections in this update testimony correspond with the original sections and subsections in the original direct testimony.

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## **GLOSSARY OF ACRONYMS AND DEFINED TERMS**

<b><u>Acronym/Defined Term</u></b>	<b><u>Meaning</u></b>
SPS	Southwestern Public Service Company, a New Mexico corporation
Total Company or total company	Total SPS (before any jurisdictional allocation)
Update Period	April 1, 2019 through June 30, 2019
Updated Test Year	July 1, 2018 through June 30, 2019
Xcel Energy	Xcel Energy Inc.
XES	Xcel Energy Services Inc.

## LIST OF ATTACHMENTS

<b><u>Attachment</u></b>	<b><u>Description</u></b>
LAB-RR-U4	Property Services Capital Additions for April 1, 2019 through June 30, 2019 (Filename: LAB-RR-U4.xlsx)
LAB-RR-U5	SPS Administrative and General Rents and Maintenance of General Plant Expenses (Filename: LAB-RR-U5.xlsx)
LAB-RR-UA (Updated Test Year)	Summary of XES Expenses to SPS by Affiliate Class and Billing Method (Filename: LAB-RR-UABCD.xlsx)
LAB-RR-UB(CD) (Updated Test Year)	XES Expenses by Affiliate Class, Activity, Billing Method, and FERC Account (Filename: LAB-RR-UABCD.xlsx)
LAB-RR-UC (Updated Test Year)	Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account (Filename: LAB-RR-UABCD.xlsx)
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**UPDATE TESTIMONY  
OF  
LAWRENCE A. BICK**

**I. WITNESS IDENTIFICATION**

1

2   **Q.    Please state your name and business address.**

3    A.    My name is Lawrence A. Bick. My business address is 414 Nicollet Mall,  
4           Minneapolis, Minnesota 55401.

5   **Q.    By whom are you employed and in what position?**

6    A.    I am employed by Xcel Energy Services Inc. (“XES”) as Senior Director,  
7           Property and Aviation Services.

8   **Q.    On whose behalf are you testifying in this proceeding?**

9    A.    I am filing testimony on behalf of Southwestern Public Service Company, a New  
10          Mexico corporation (“SPS”).

11   **Q.    Are you the same Lawrence A. Bick who filed direct testimony on behalf of**  
12          **SPS in this docket?**

13   A.    Yes.

1                   **II. ASSIGNMENT AND SUMMARY OF TESTIMONY AND**  
2   **RECOMMENDATIONS**

3   **Q.     What is your assignment in this update testimony?**

4   A.     As explained in SPS's direct testimony, SPS is using an Updated Test Year in this  
5           case. The Updated Test Year is the period from July 1, 2018 through June 30,  
6           2019. Because of the timing of the filing of this case, certain costs for the period  
7           from April 1, 2019 through June 30, 2019 ("Update Period") in my direct  
8           testimony were estimated. My assignment in this update testimony is to replace  
9           those estimated costs with actual costs. The result of this update is that the  
10          Updated Test Year now consists of only actual information, and no estimates. For  
11          ease of cross-referencing this update testimony with my direct testimony filed on  
12          August 8, 2019, the sections and subsections in this update testimony correspond  
13          with the original sections and subsections in my direct testimony.

14                 Regarding the native (costs directly incurred by SPS) administrative and  
15                 general rents and maintenance of general plant expenses costs I support, my  
16                 update testimony includes an Attachment LAB-RR-U5, which replaces the  
17                 estimated costs that I provided in my direct testimony for the Updated Test Year  
18                 with actual costs.

19                 Regarding the Aviation & Travel Services, Property Services, and  
20                 Workforce Relations & Safety affiliate costs I support, my direct testimony  
21                 provided actual figures for April and May 2019 and estimated figures for June  
22                 2019 based on the forecasted budget. In this testimony, I replace the June 2019  
23                 estimates with actuals. In addition, the April through June 2019 expenses have  
24                 now gone through the full pro forma adjustment review process. Thus, I provide

1 updated figures for those Update Period expenses. My update testimony includes  
2 Attachments LAB-RR-UA through LAB-RR-UD in support of the Property  
3 Services, Workforce Relations & Safety, and Aviation & Travel Services affiliate  
4 costs I support.

5 With respect to the Property Services capital costs (and related affiliate  
6 expense) that I support, I provide actual costs for projects placed in service during  
7 the Update Period in my Attachment LAB-RR-U4.

8 **Q. Please summarize your update testimony and recommendations.**

9 A. ***Native Costs*** – The amounts included in Attachment LAB-RR-U5 represent at a  
10 total company level (total SPS before jurisdictional allocations, or “total  
11 company”), reasonable and necessary costs incurred directly by SPS to support  
12 SPS’s ability to provide safe and reliable electric service to its Texas retail  
13 customers. I recommend the Commission approve those costs for the reasons  
14 discussed in my direct testimony.

15 ***Affiliate Costs*** – The estimated Updated Test Year costs for the services of the  
16 following affiliate classes that SPS sought to recover at a total company level  
17 were:

- 18 • Property Services: \$15,870,385;
- 19 • Workforce & Safety Relations: \$2,066,023; and,
- 20 • Aviation: \$801,501.

21 The actual Updated Test Year costs for the services of the following affiliate  
22 classes that SPS seeks to recover at a total company level are:

- 23 • Property Services: \$12,115,824;
- 24 • Workforce & Safety Relations: \$2,095,587; and,

1           • Aviation & Travel Services: \$103,418.

2           Please refer to Attachments LAB-RR-UA through LAB-RR-UD. The actual costs  
3           are reasonable and necessary for the reasons I provided in this testimony and my  
4           direct testimony.

5           ***Capital Costs*** – The amounts included in Attachment LAB-RR-U4 represent the  
6           actual total company costs for the Property Service-related capital projects,  
7           including affiliate costs. For the reasons provided in my direct testimony and  
8           Attachment LAB-RR-U4, the costs included in Attachment LAB-RR-U4 are  
9           reasonable, necessary, and prudently incurred.

10   **Q.   Were Attachments LAB-RR-U4, LAB-RR-5, and LAB-RR-UA through**  
11   **LAB-RR-UD prepared by you or under your direct supervision and control?**

12   A.   Yes, as to the project descriptions in Attachment LAB-RR-U4. The cost  
13       information in Attachment LAB-RR-U4 was prepared by SPS witness Mark P.  
14       Moeller and his staff. My staff and I have reviewed this attachment, and I believe  
15       it to be accurate. Attachment LAB-RR-U5 was prepared by SPS witness Arthur  
16       P. Freitas and his staff and is based on the cost of service study. My staff and I  
17       have reviewed this attachment, and I believe it to be accurate. Attachments  
18       LAB-RR-UA through LAB-RR-UD were prepared as described by SPS witness  
19       Melissa L. Schmidt. My staff and I have reviewed these attachments and I  
20       believe them to be accurate. Although the information I have described above  
21       related to Mr. Moeller and Ms. Schmidt is present in these other witnesses'  
22       attachments, I have presented this information in the attachments to my update  
23       testimony for the convenience of those reviewing it.



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		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
Property Services	\$77,120,421	\$12,115,824	100%	0%

### Total XES Class Expenses

Dollar amount of total Updated Test Year expenses that XES charged to all Xcel Energy Inc. (“Xcel Energy”) companies for the services provided by this affiliate class. This is the amount from Column E in Attachment LAB-RR-UA.

Requested Amount of XES  
Class Expenses Billed to SPS  
(Total Company)

Requested dollar amount of XES expenses to SPS (total company) for this affiliate class after exclusions and pro forma adjustments. This is the amount from Column K in Attachment LAB-RR-UA.

% Direct Billed

The percentage of SPS's requested XES expenses (total company) for this class that were billed 100% to SPS.

% Allocated

The percentage of SPS's requested XES expenses (total company) for this class that were allocated to SPS.

1   **Q.   Please describe the updated attachments that support the information**  
2       **provided on Table LAB-RR-U1.**

3   A.   Attachments LAB-RR-UA through LAB-RR-UD present the updated information  
4       about the requested SPS affiliate expenses for the Property Services affiliate class.  
5       The detailed descriptions for Attachments LAB-RR-A through LAB-RR-D that  
6       were provided in my direct testimony remain applicable to these updated  
7       attachments.

8   **Q.   Are there updated exclusions for the Property Services affiliate class?**

9   A.   Yes. The actual exclusions are provided on Attachment LAB-RR-UC.

10  **Q.   Are there updated pro forma adjustments to SPS's per book expenses for the**  
11       **Property Services affiliate class?**

12  A.   Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions  
13       to Updated Test Year expenses for known and measurable changes. Pro forma  
14       adjustments are shown on Attachment LAB-RR-UA, Column J, and on  
15       Attachment LAB-RR-UB, Column M. The details for the pro forma adjustments,  
16       including the witness or witnesses who sponsor each pro forma adjustment, are  
17       provided in Attachment LAB-RR-UD.

18  **Q.   Attachment LAB-RR-UD shows that you sponsor pro forma adjustments for**  
19       **expenses for the Property Services affiliate class during the Updated Test**  
20       **Year that result in a net decrease for the Property Services affiliate class of**  
21       **\$29,750.26. Please explain the adjustments.**

22  A.   The adjustments that I sponsor remove alcohol expense (a decrease of \$146.25);  
23       remove charges for life events (a decrease of \$53.06); remove costs not  
24       benefitting SPS (a decrease of \$955.51); reclassify costs to or from a new affiliate

1 class (an increase of \$2,161.29); and remove prior period adjustments (a decrease  
2 of \$30,756.73).

3 **C. The Property Services Class of Services are Provided at a**  
4 **Reasonable Cost**

5 **Q. What is the purpose of this section of your update testimony?**

6 A. In this section of my direct testimony, several numbers were based on estimates  
7 for the Update Period. In this update testimony, I replace those estimates with  
8 actual numbers, and explain that the actual costs for the Property Services affiliate  
9 class are reasonable.

10 **2. Cost Trends**

11 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**  
12 **SPS for the Property Services class of services for the three fiscal years**  
13 **preceding the end of the Updated Test Year and the charges (per book) for**  
14 **the Updated Test Year.**

15 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar  
16 years), and for the Updated Test Year, the actual per book affiliate charges  
17 (Column I on Attachment LAB-RR-UA) from XES to SPS for the services  
18 grouped in the Property Services affiliate class:

19 **Table LAB-RR-U2**

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Property Services	\$10,486,842	\$11,791,610	\$12,631,327	\$15,826,098	\$12,173,842



- 1   **D.   The Costs for the Property Services Class of Services are Priced**  
2       **in a Fair Manner**
- 3   **Q.   Have any of the predominant allocation methods for the Property Services**  
4       **affiliate class operation and maintenance expenses changed?**
- 5   **A.   No. All of the requested XES charges to SPS for this class were charged using**  
6       **Direct Billing (\$12,115,824.37).**

1           **V.     UPDATED AFFILIATE EXPENSES FOR THE WORKFORCE**  
2                                   **RELATIONS & SAFETY CLASS OF SERVICES**

3   **A.     Summary of Affiliate Expenses for the Workforce Relations &**  
4           **Safety Class of Services**

5   **Q.     What is the dollar amount of the Updated Test Year XES charges that SPS**  
6           **requests, on a total company basis, for the Workforce Relations & Safety**  
7           **affiliate class?**

8   A.     The following table summarizes the dollar amount of the actual Updated Test  
9           Year XES charges for the Workforce Relations & Safety affiliate class.

10                                   **Table LAB-RR-U4**

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
Workforce Relations & Safety	\$14,694,153	\$2,095,587	63.03%	36.97%

11   **Q.     Please describe the updated attachments that support the information**  
12           **provided on Table LAB-RR-U4.**

13   A.     Attachments LAB-RR-UA through LAB-RR-UD present the updated information  
14           about the requested SPS affiliate expenses for the Workforce Relations & Safety  
15           affiliate class. The detailed descriptions for Attachments LAB-RR-A through  
16           LAB-RR-D that were provided in my direct testimony remain applicable to these  
17           updated attachments.

18   **Q.     Are there updated exclusions for the Workforce Relations & Safety affiliate**  
19           **class?**

20   A.     No. The actual exclusions provided on Attachment LAB-RR-UC match the  
21           estimated exclusions provided in my direct testimony.

1   **Q.    Are there updated pro forma adjustments to SPS's per book expenses for the**  
2       **Workforce Relations & Safety affiliate class?**

3    A.    Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions  
4       to Updated Test Year expenses for known and measurable changes. Pro forma  
5       adjustments are shown on Attachment LAB-RR-UA, Column J, and on  
6       Attachment LAB-RR-UB, Column M. The details for the pro forma adjustments,  
7       including the witness or witnesses who sponsor each pro forma adjustment, are  
8       provided in Attachment LAB-RR-UD.

9   **Q.    Attachment LAB-RR-UD shows that you sponsor pro forma adjustments for**  
10       **expenses for the Workforce Relations & Safety affiliate class during the**  
11       **Updated Test Year that result in a net decrease for the Workforce Relations**  
12       **& Safety affiliate class of \$8,780.30. Please explain the adjustments.**

13   A.    The adjustments that I sponsor remove charges for alcohol (a decrease of  
14       \$993.85); remove charges for life events (a decrease of \$277.68); and remove  
15       costs not benefitting SPS (a decrease of \$7,508.77).

16   **C.    The Workforce Relations & Safety Class of Services are Provided**  
17       **at a Reasonable Cost**

18   **Q.    What is the purpose of this section of your update testimony?**

19   A.    In this section of my direct testimony, several numbers were based on estimates  
20       for the Update Period. In this update testimony, I replace those estimates with  
21       actual numbers, and explain that the actual costs for the Workforce Relations &  
22       Safety affiliate class are reasonable.

1 *I. Additional Evidence*

2 **Q. Is there additional support for a portion of the expenses that you present in**  
3 **this testimony?**

4 A. Yes. Of the Updated Test Year costs for the Workforce Relations & Safety class,  
5 88.67% are compensation and benefits costs for XES personnel. SPS witnesses  
6 Michael T. Knoll and Richard R. Schrubbe establish that the level of Xcel  
7 Energy's compensation and benefits is reasonable and necessary.

8 *3. Cost Trends*

9 **Q. Please state the dollar amounts of the actual charges (per book) from XES to**  
10 **SPS for the Workforce Relations & Safety class of services for the three fiscal**  
11 **years preceding the end of the Updated Test Year and the charges (per book)**  
12 **for the Updated Test Year.**

13 A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar  
14 years), and for the Updated Test Year, the actual per book affiliate charges  
15 (Column I on Attachment LAB-RR-UA) from XES to SPS for the services  
16 grouped in the Workforce Relations & Safety affiliate class:

17 **Table LAB-RR-U5**

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Workforce Relations & Safety	\$2,949,940	\$2,645,611	\$2,175,961	\$2,086,713	\$2,183,842



1   **Q.    Has the trend in per book charges between 2018 and the Updated Test Year**  
2       **changed with the replacement of the estimated Updated Test Year amount**  
3       **with the actual amount?**

4   A.   As shown in the table above, the actual per book amounts have remained  
5       approximately the same as the 2018 per book amounts.

6                   4.   *Staffing Trends*

7   **Q.    Please provide the staffing levels for the Workforce Relations & Safety class**  
8       **of services for the three fiscal years preceding the end of the Updated Test**  
9       **Year and the Updated Test Year.**

10  A.   The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar  
11       years) and for the Updated Test Year, the average of the end of month staffing  
12       levels for the Workforce Relations & Safety class of services.

13                                   **Table LAB-RR-U6**

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Workforce Relations & Safety	104	104	91	89	89

14  **D.    The Costs for the Workforce Relations & Safety Class of Services**  
15       **are Priced in a Fair Manner**

16  **Q.    Have any of the predominant allocation methods for the Workforce**  
17       **Relations & Safety Class of Services affiliate class operation and**  
18       **maintenance expenses changed?**

19  A.   No.   The predominant allocation methods have remained the same, but the  
20       percentages and amounts have changed as follows:

**Table LAB-RR-U7**

<b>Allocation Method</b>	<b>Estimated Percentage of XES Charges to SPS/Amount Requested (total company) in Direct Testimony</b>	<b>Actual Percentage of XES Charges to SPS/Amount Requested (total company) in Update Filing</b>
Direct Billing	62.23% / \$1,285,759.63	63.03% / \$1,320,919.79
Number of Employees	27.68% / \$571,872.39	26.59% / \$557,138.31
Assets, Revenue, and Number of Employees	7.13% / \$147,403.78	7.56% / \$158,502.23
Number of Customers	2.75% / \$56,735.69	2.81% / \$58,877.44

1       **VI.     UPDATED AFFILIATE EXPENSES FOR THE AVIATION &**  
2                                   **TRAVEL SERVICES CLASS OF SERVICES**

3   **A.     Summary of Affiliate Expenses for the Aviation & Travel Services**  
4                                   **Class of Services**

5   **Q.     What is the dollar amount of the Updated Test Year XES charges that SPS**  
6                   **requests, on a total company basis, for the Aviation & Travel Services**  
7                   **affiliate class?**

8   **A.     The following table summarizes the dollar amount of the actual Updated Test**  
9                   **Year XES charges for the Aviation & Travel Services affiliate class.**

10                                   **Table LAB-RR-U8**

		Requested Amount of XES Class Expenses Billed to SPS (Total Company)		
Class of Services	Total XES Class Expenses	Requested Amount	% Direct Billed	% Allocated
Aviation & Travel Services	\$6,509,827	\$103,418	0%	100%

11   **Q.     Please describe the updated attachments that support the information**  
12                   **provided on Table LAB-RR-U8.**

13   **A.     Attachments LAB-RR-UA through LAB-RR-UD present the updated information**  
14                   **about the requested SPS affiliate expenses for the Aviation & Travel Services**  
15                   **affiliate class. The detailed descriptions for Attachments LAB-RR-A through**  
16                   **LAB-RR-D that were provided in my direct testimony remain applicable to these**  
17                   **updated attachments.**

18   **Q.     Are there updated exclusions for the Aviation & Travel Services affiliate**  
19                   **class?**

20   **A.     Yes. The actual exclusions are provided on Attachment LAB-RR-UC.**

1   **Q.    Are there updated pro forma adjustments to SPS's per book expenses for the**  
2       **Aviation & Travel Services affiliate class?**

3    A.    Yes. As I mentioned in my direct testimony, pro forma adjustments are revisions  
4       to Updated Test Year expenses for known and measurable changes. Pro forma  
5       adjustments are shown on Attachment LAB-RR-UA, Column J, and on  
6       Attachment LAB-RR-UB, Column M. The details for the pro forma adjustments,  
7       including the witness or witnesses who sponsor each pro forma adjustment, are  
8       provided in Attachment LAB-RR-UD. As shown on Attachment LAB-RR-UD, I  
9       am not a sponsor for the pro forma adjustments for the Aviation & Travel  
10       Services Affiliate Class.

11   **C.    The Aviation & Travel Services Class of Services are Provided at**  
12       **a Reasonable Cost**

13   **Q.    What is the purpose of this section of your update testimony?**

14    A.    In this section of my direct testimony, several numbers were based on estimates  
15       for the Update Period. In this update testimony, I replace those estimates with  
16       actual numbers, and explain that the actual costs for the Aviation & Travel  
17       Services affiliate class are reasonable.

18                *I.    Cost Trends*

19   **Q.    Please state the dollar amounts of the actual charges (per book) from XES to**  
20       **SPS for the Aviation & Travel Services class of services for the three fiscal**  
21       **years preceding the end of the Updated Test Year and the charges (per book)**  
22       **for the Updated Test Year.**

23    A.    The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar  
24       years), and for the Updated Test Year, the actual per book affiliate charges

(Column I on Attachment LAB-RR-UA) from XES to SPS for the services grouped in the Aviation & Travel Services affiliate class:

**Table LAB-RR-U9**

	(Per Book) Charges Over Time				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Aviation & Travel Services	\$1,187,113	\$842,056	\$842,118	\$847,588	\$839,614

*2. Staffing Trends*

**Q. Please provide the staffing levels for the Aviation & Travel Services class of services for the three fiscal years preceding the end of the Updated Test Year and the Updated Test Year.**

A. The following table shows, for the fiscal years 2016, 2017, and 2018 (calendar years) and for the Updated Test Year, the average of the end of month staffing levels for the Aviation & Travel Services class of services.

**Table LAB-RR-U10**

	Average of End of Month # of Staff				
Class of Services	2016	2017	2018	Updated Test Year (Estimated)	Updated Test Year (Actual)
Aviation & Travel Services	8	8	8	8	8

1   **D.   The Costs for the Aviation & Travel Services Class of Services are**  
2       **Priced in a Fair Manner**

3   **Q.   Have any of the predominant allocation methods for the Aviation & Travel**  
4       **Services affiliate class operation and maintenance expenses changed?**

5   A.   No. All of the requested XES charges to SPS for this class were charged using  
6       the Assets, Revenue, and Number of Employees Allocation Method  
7       (\$103,417.69).

1           **VIII. PROPERTY SERVICES-RELATED CAPITAL PROJECTS**

2   **B.   Property Services-Related Capital Projects Placed in Service**  
3           **Between April 1, 2019 and June 30, 2019**

4   **Q.   Has SPS updated the Property Services-related capital costs for projects**  
5           **placed in service between April 1, 2019 and June 30, 2019?**

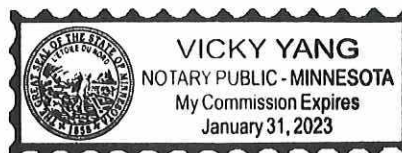
6   A.   Yes. SPS seeks to include in rate base the cost of capital additions placed in  
7           service during the Update Period, and included estimated costs for those capital  
8           additions expected to be placed in service during the Update Period in direct  
9           testimony. Attachment LAB-RR-U4 provides SPS's actual total company costs  
10          for the Property Services-related capital projects, including affiliate costs. For the  
11          reasons provided in my direct testimony and Attachment LAB-RR-U4, the costs  
12          included in Attachment LAB-RR-U4 are reasonable, necessary, and prudently  
13          incurred.

14   **Q.   Does this conclude your pre-filed update testimony?**

15   A.   Yes.

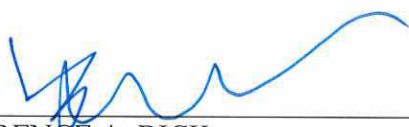
**AFFIDAVIT**

STATE OF MINNESOTA )  
COUNTY OF HENNEPIN )



LAWRENCE A. BICK, first being sworn on his oath, states:

I am the witness identified in the preceding Update Testimony. I have read the Update Testimony and the accompanying attachment(s) and am familiar with the contents. Based upon my personal knowledge, the facts stated in the testimony are true. In addition, in my judgment and based upon my professional experience, the opinions and conclusions stated in the Update Testimony are true, valid, and accurate.

  
\_\_\_\_\_  
LAWRENCE A. BICK

Subscribed and sworn to before me this 10<sup>th</sup> day of September, 2019 by Lawrence A. Bick.

  
\_\_\_\_\_  
Notary Public, State of Minnesota

My Commission Expires: January 31, 2023



### **CERTIFICATE OF SERVICE**

I certify that on the 20<sup>th</sup> day of September 2019, a true and correct copy of the foregoing update testimony was served on all parties of record by electronic service and by either hand delivery, Federal Express, regular first class mail, certified mail, or facsimile transmission.



## Southwestern Public Service Company

## Property Services Capital Additions - Actuals

April 1, 2019 through June 30, 2019

(A)	(B)	(C)	(D)	(E-i)	(E-ii)	(E-iii)	(F)
Line No.	Asset Class	Witness	Project Category	Additions to Plant-in-Service (April 2019-June 2019)	XES Charges (Included in Column D)	Other Affiliate Charges (Included in Column D)	Total Affiliate Charges (Included in Column D)
1	Electric General	Bick	Building & Infrastructure	\$ 266.10	\$ -	\$ -	-
<p>This project includes the construction and buildout cost for the new evidence storage building that services the SPS region to store evidence such as damaged transformers, power poles, etc. This amount includes final payments associated with the project.</p> <p>This project is a new service center constructed due to limited space at the old site, and expanding service area needs within Canyon. The previous site was also problematic because it extended service call response times due the heavily used railroad tracks that had to be crossed to access territory. This new site includes a warehouse; material storage; engineering support; and substation, transmission, distribution line, and service crews. This amount includes final payments associated with the project.</p> <p>The project is remove an old 2 ton roof top air conditioning unit and replace with a 2 ton mini split system at the Anjarillo Transportation Center.</p>							
2	Electric General	Bick	Building & Infrastructure	403.45	403.25	-	403.25
3	Electric General	Bick	Building & Infrastructure	8,937.34	-	-	-
4	<b>Total Electric General</b>			<b>\$ 9,606.89</b>	<b>\$ 403.25</b>	<b>\$ -</b>	<b>\$ 403.25</b>
5	<b>Grand Total</b>			<b>\$ 9,606.89</b>	<b>\$ 403.25</b>	<b>\$ -</b>	<b>\$ 403.25</b>

## Southwestern Public Service Company

Administrative & General Rents  
& Maintenance of General Plant Expenses

## Total Company SPS Operation and Maintenance Expenses

Line No.	FERC Acct	Account Description	Native SPS O&M Expense through the Update Period (Jul '18-Jun '19)	Test Year Affiliate O&M Expense (Jul '18-Jun '19)	Total Company Requested O&M
<b>Production</b>					
1	500	Operation Supervision and Engineering	\$ 1,302,088	\$ 845,746	\$ 2,147,834
2	501.35*	Coal Non-Mine; Non-Freight	34,732,116	-	34,732,116
3	507.70	Coal Ash Sales	(1,730,689)	1,503,199	(227,490)
4	502	Steam Expenses	10,073,061	(24,863)	10,048,198
5	505	Electric Expenses	9,786,043	559	9,786,601
6	506	Miscellaneous Steam Power Expenses	8,396,464	5,057,641	13,454,105
7	507	Rents	1,467,127	4,334,766	5,801,893
8	509	Steam Operation SO2 Allowance Expense	124,830	-	124,830
9	509.02	Allowances - NM Nox Expense Amortz	(2,340)	-	(2,340)
10	510	Maintenance Supervision and Engineering	1,499,505	4,805	1,504,310
11	511	Maintenance of Structures	4,965,791	1,535	4,967,326
12	512	Maintenance of Boiler Plant	16,708,182	1,041,142	17,749,323
13	513	Maintenance of Electric Plant	12,734,579	438,068	13,172,648
14	514	Maintenance of Miscellaneous Steam Plant	9,892,881	1,300,657	11,193,538
15	546	Operation Supervision and Engineering	(16,230)	49,163	32,932
16	546W	Operation Supervision and Engineering Wind	27,667	-	27,667
17	548	Generation Expenses	328,123	-	328,123
18	549	Misc Other Power Generation Expenses	224,417	161,231	385,648
19	549W	Misc Other Power Generation Expenses Wind	5,800,304	-	5,800,304
20	550	Rents	99,441	406,940	506,381
21	551	Maintenance Supervision and Engineering	175,358	376	175,734
22	552	Maintenance of Structures	364,670	679	365,349
23	553	Maintenance of Generating and Electric Equipment	1,215,324	32,503	1,247,827
24	553W	Maintenance of Generating and Electric Equipment Wind	3,843,120	-	3,843,120
25	554	Maintenance of Misc Other Power Generation Plant	189,267	167,464	356,731
26	554W	Maintenance of Misc Other Power Generation Plant Wind	31,430	-	31,430
27	556	System Control and Load Dispatching	(2,639)	1,031,823	1,029,185
28	557	Purchased Power Other	(466,572)	1,774,980	1,308,408
29	557.9*	REC Costs	2,543,109	-	2,543,109
30	Total Production O&M Expense		\$ 124,306,427	\$ 18,128,414	\$ 142,434,841

## Southwestern Public Service Company

## Administrative &amp; General Rents

## &amp; Maintenance of General Plant Expenses

## Total Company SPS Operation and Maintenance Expenses

			Native SPS O&M Expense through the Update Period (Jul '18-Jun '19)	Test Year Affiliate O&M Expense (Jul '18-Jun '19)	Total Company Requested O&M
Line No.	FERC Acct	Account Description			
Transmission					
31	560	Operation Supervision and Engineering	\$ (571,330)	\$ 9,857,223	\$ 9,285,893
32	561.1	Load Dispatch - Reliability	229,954	-	229,954
33	561.2	Load Dispatch - Monitor and Operate Trans. System	1,651,374	1,329,161	2,980,535
34	561.4	Scheduling, System Control and Dispatching Services	3,105,159	-	3,105,159
35	561.4W	Scheduling, System Control and Dispatching Services - Wholesale	974,315	-	974,315
36	561.5	Reliability, Planning and Standards Development	-	846	846
37	561.6	Transmission Service Studies	47,042	26,860	73,902
38	561.7	Generation Interconnection Studies	(3,424)	-	(3,424)
39	561.8	Reliability Planning and Standards Development Services	2,621,019	-	2,621,019
40	561.8W	Reliability Planning and Standards Development Services - Wholesale	454,281	-	454,281
41	562	Station Expenses	1,771,195	544	1,771,738
42	563	Overhead Line Expenses	945,666	12,197	957,863
43	565	Wheeling Lamar DC Tie	(420)	-	(420)
44	565	Wheeling Meter Charges	703,366	-	703,366
45	565	Wheeling Miscellaneous	33,381	-	33,381
46	565	Wheeling Schedule 11	102,664,790	-	102,664,790
47	565	Wheeling Schedule 11 - Wholesale	30,753,348	-	30,753,348
48	565	Wheeling Schedule 12	2,055,178	-	2,055,178
49	565	Wheeling Schedule 12 - Wholesale	535,444	-	535,444
50	565	Wheeling Schedule 1 - Wholesale	712,636	-	712,636
51	565	Wheeling Schedule 2	2,964	-	2,964
52	565	W-Wheeling Schedule 2 - Wholesale	508	-	508
53	565	Wheeling Schedule 9	6,040,362	-	6,040,362
54	565	Wheeling Schedule 9 - Wholesale	24,384,791	-	24,384,791
55	565	Z2 Direct Assigned Upgrade Charge	82,054	-	82,054
56	565	Z2 Direct Assigned Upgrade Charge - Wholesale	16,400	-	16,400
57	565	Z2 Schedule 11 Charges	(169,497)	-	(169,497)
58	565	Z2 Schedule 11 Charges - Wholesale	-	-	-
59	566	Misc Transmission Expenses	2,527,124	782,852	3,309,976
60	567	Rents	282,189	1,422,644	1,704,834
61	568	Maintenance Supervision and Engineering	(4,386)	7,960	3,574
62	570	Maintenance of Station Equipment	1,899,246	3,287	1,902,534
63	571	Maintenance of Overhead Lines	1,088,688	42,673	1,131,361
64	Sub-Total Transmission O&M Expenses		\$ 184,833,416	\$ 13,486,247	\$ 198,319,663
Regional Market Expenses					
65	575.1	Operation Supervision	\$ -	\$ 137,183	\$ 137,183
66	575.2	Day-Ahead and Real-Time Market Administration	-	302,981	302,981
67	575.5	Ancillary Services Market Administration	-	23,132	23,132
68	575.6	Market Monitoring and Compliance	-	46,429	46,429
69	575.7	Market Admin, Monitoring, and Compliance Services	6,163,708	-	6,163,708
70	575.7W	Market Admin, Monitoring, and Compliance Services - Wholesale	1,933,684	-	1,933,684
71	575.8	Regional Market Rents	5,371	45,687	51,058
72	Total Regional Market Expenses		\$ 8,102,764	\$ 555,412	\$ 8,658,175
73	Total Transmission O&M Expenses		\$ 192,936,179	\$ 14,041,659	\$ 206,977,838

## Southwestern Public Service Company

Administrative & General Rents  
& Maintenance of General Plant Expenses

## Total Company SPS Operation and Maintenance Expenses

			Native SPS O&M Expense through the Update Period (Jul '18-Jun '19)		Test Year Affiliate O&M Expense (Jul '18-Jun '19)		Total Company Requested O&M	
Line No.	FERC Acct	Account Description						
Distribution								
74	580	Operation Supervision and Engineering	\$	2,633,263	\$	1,025,866	\$	3,659,129
75	581	Load Dispatching		32,133		239,967		272,099
76	582	Station Expenses		1,592,293		(14,169)		1,578,124
77	583	Overhead Line Expenses		3,937,620		99,718		4,037,338
78	584	Underground Line Expenses		263,184		-		263,184
79	585	Street Lighting and Signal Systems Expenses		350,477		2,904		353,381
80	586	Meter Expenses		2,493,053		169,959		2,663,012
81	587	Customer Installations Expenses		869,414		2,306		871,719
82	588	Misc Distribution Expense		10,534,860		1,207,141		11,742,001
83	589	Rents		1,004,026		1,515,415		2,519,442
84	590	Maintenance Supervision and Engineering		-		24,754		24,754
85	591	Maintenance of Structures		300		-		300
86	592	Maintenance of Station Equipment		770,434		1,147		771,581
87	593	Maintenance of Overhead Lines		10,623,795		202,369		10,826,164
88	594	Maintenance of Underground Lines		269,725		-		269,725
89	595	Maintenance of Line Transformers		-		-		-
90	596	Maintenance of Street Lighting and Signal Systems		490,965		2,021		492,986
91	597	Maintenance of Meters		14,821		-		14,821
92	598	Maintenance of Misc Distribution Plant		(543,095)		1,371		(541,724)
93	Total Distribution O&M Expenses		\$	35,337,269	\$	4,480,769	\$	39,818,037
Customer Accounts								
94	901	Supervision	\$	-	\$	29,707	\$	29,707
95	902	Meter Reading Expenses		4,340,928		471,846		4,812,774
96	903	Customer Records and Collection Expenses		3,461,044		3,646,671		7,107,715
97	904.0*	Uncollectible Expenses		4,447,042		-		4,447,042
98	904.1*	Uncollectible Expenses		1,182,664		-		1,182,664
99	DEPINT Customer Deposit Interest Expense			131,865		-		131,865
100	Total Customer Accounts Expense		\$	13,563,543	\$	4,148,224	\$	17,711,767
Customer Service								
101	908.00	Customer Assistance Expense	\$	1,968,094	\$	87,030	\$	2,055,124
102	908.00	Historical EE Amortization		258,825	\$	-	\$	258,825
103	908.01	EE Amortization - Texas		-		-		-
104	908.03	EE Amortization - New Mexico		-		-		-
105	908.04	SaversSwitch		712,529		3,492		716,021
106	909.10	Informational and Instructional Advertising Expense		-		-		-
107	910.00	Miscellaneous Customer Service Expense		-		16,994		16,994
108	Total Customer Service Expense		\$	2,939,448	\$	107,515	\$	3,046,963
Sales								
109	912.00	Demonstration and Selling Expense-Economic Development	\$	268,577	\$	97	\$	268,674
110	Total Sales Expense		\$	268,577	\$	97	\$	268,674

## Southwestern Public Service Company

Administrative & General Rents  
& Maintenance of General Plant Expenses

## Total Company SPS Operation and Maintenance Expenses

				Native SPS O&M Expense through the Update Period (Jul '18-Jun '19)		Test Year Affiliate O&M Expense (Jul '18-Jun '19)		Total Company Requested O&M
Line No.	FERC Acct	Account Description						
		Administrative and General Expenses						
111	920*	Administrative and General Salaries	\$	4,790,698	\$	23,150,797	\$	27,941,496
112	921	Office Supplies and Expenses		304,031		18,918,661		19,222,692
113	922*	Administrative Expenses Transferred-Credit		(14,470,585)		(230,528)		(14,701,112)
114	923	Outside Services Employed		1,835,157		9,175,083		11,010,241
115	924	Property Insurance		3,180,828		1,633		3,182,461
116	925*	Injuries and Damages		5,330,221		2,118,099		7,448,320
117	926.01*	Employee Pensions and Benefits		16,109,725		12,729,019		28,838,744
118	926.03*	Deferred Pension Expense		1,574,975		-		1,574,975
119	928	Regulatory Commission Expense - TX		8,742,791		-		8,742,791
120	928.01	Regulatory Commission Expense - NM		4,851,744		-		4,851,744
121	928.02	Regulatory Commission Expense - Wholesale		523,587		-		523,587
122	928.03	Regulatory Commission Expense - Transmission Related		183,845		-		183,845
123	928.04	Regulatory Commission Expense - Misc		94,203		-		94,203
124	928.05	Regulatory Commission Expense - Energy Related		3,657		-		3,657
125	929	Duplicate Charges-Credit		(1,380,460)		-		(1,380,460)
126	930.11	General Advertising Expenses		-		-		-
127	930.20	Misc General Expenses		16,227		302,594		318,821
128	931	Rents		(1,010,618)		12,598,995		11,588,377
129	935	Maintenance of General Plant		482		89,165		89,647
130		Recoverable Contributions, Dues, and Donations		2,034,743		-		2,034,743
131		Total Administrative and General Expenses	\$	32,715,253	\$	78,853,520	\$	111,568,773
132		Total Operations and Maintenance Expense	\$	402,066,695	\$	119,760,197	\$	521,826,893

Note: All amounts included in this attachment are included in the cost of service study provided as Attachment APF-RR-U2 to the Update Testimony of Arthur P. Freitas

**Summary of XES Expenses to SPS by Affiliate Class and Billing Method  
For Twelve Months ended June 30, 2019  
Bick**

(A) Line No.	(B) Affiliate Class	(C) Billing Method (Cost Center)	(D) Allocation Method	(E) Total XES Billings for Class to all Legal Entities (FERC Acct. 400-935)	(F) XES Billings for Class to All Legal Entities Except SPS (FERC Acct. 400-935)	(G) XES Billings for Class to SPS (Total Company) (FERC Acct. 400-935)	(H) Exclusions	(I) Per Book	(J) Proformas	(K) Requested Amount (Total Company)	(L) % of Class Charges
1	Aviation & Travel Services	200063 - Executive - Corporate Governance	Assets/Revenue/No. of employees	\$ 6,509,827.48	\$ 5,670,102.73	\$ 839,724.76	\$ (110.73)	\$ 839,614.03	\$ (736,196.34)	\$ 103,417.69	100.00%
2	Aviation & Travel Services	Corporate Governance		\$ 6,509,827.48	\$ 5,670,102.73	\$ 839,724.76	\$ (110.73)	\$ 839,614.03	\$ (736,196.34)	\$ 103,417.69	100.00%
3	Property Services	200079 - Federal Lobbying	Assets/Revenue/No. of employees	\$ 167,707.09	\$ 146,008.15	\$ 21,698.94	\$ (21,698.94)	\$ -	\$ -	\$ -	0.00%
4	Property Services	Direct		76,952,714.05	64,756,581.10	12,196,132.94	(22,290.84)	12,173,842.10	(58,017.73)	12,115,824.37	100.00%
5	Property Services	Corporate Governance		\$ 77,120,421.14	\$ 64,902,589.25	\$ 12,217,831.88	\$ (43,989.78)	\$ 12,173,842.10	\$ (58,017.73)	\$ 12,115,824.37	100.00%
6	Workforce Relations & Safety	200135 - Energy Supply Business Resources	MWH Generation	\$ 271.59	\$ 211.94	\$ 59.65	\$ -	\$ 59.65	\$ 89.57	\$ 149.22	0.01%
7	Workforce Relations & Safety	200072 - Communications - Corporate Governance	Assets/Revenue/No. of employees	97,800.75	85,181.49	12,619.26	-	12,619.26	(160.36)	12,458.89	0.59%
8	Workforce Relations & Safety	200153 - Customer Safety Advertising/Information Costs	Number of Customers	855,379.25	795,621.90	59,757.35	(199.81)	59,557.54	(680.10)	58,877.44	2.81%
9	Workforce Relations & Safety	200073 - Human Resources (HR) - Corporate Governance	Assets/Revenue/No. of employees	1,176,741.50	1,024,860.79	151,880.71	(6.70)	151,874.01	(5,830.68)	146,043.33	6.97%
10	Workforce Relations & Safety	200166 - Human Resources (Diversity/Safety/Emp Relations)	Number of Employees	4,050,653.42	3,467,621.93	583,031.49	(117.69)	582,913.80	(25,775.49)	557,138.31	26.59%
11	Workforce Relations & Safety	Direct		8,513,306.03	7,136,363.99	1,376,942.04	(124.33)	1,376,817.71	(55,897.92)	1,320,919.79	63.03%
12	Workforce Relations & Safety	Corporate Governance		\$ 14,694,152.54	\$ 12,509,862.04	\$ 2,184,290.49	\$ (448.53)	\$ 2,183,841.96	\$ (88,254.98)	\$ 2,095,586.98	100.00%
13	Total Witness - Lawrence Bick			\$ 98,324,401.16	\$ 83,082,554.02	\$ 15,241,847.13	\$ (44,549.04)	\$ 15,197,298.09	\$ (882,469.05)	\$ 14,314,829.05	
	Amounts may not add or tie to other schedules due to rounding										

**Southwestern Public Service Company**

**XES Expenses by Affiliate Class, Activity, Billing Method and FERC Account**

**Lawrence A. Bick**

**SOAH Docket No. 473-19-6677**

**Docket No. 49831**

**APPLICATION OF  
SOUTHWESTERN PUBLIC SERVICE COMPANY  
FOR AUTHORITY TO CHANGE RATES**

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**LAB-RR-UB(CD)**



**Exclusions from XES Expenses to SPS by Affiliate Class and FERC Account  
For Twelve Months ended June 30, 2019  
Bick**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Exclusions	(E) Exclusions (Total Company)
1	Aviation & Travel Services	426.1 - Donations	Below the Line	\$ (83.09)
2	Aviation & Travel Services	426.5 - Other Deductions	Below the Line	(27.64)
3	<b>Aviation &amp; Travel Services Total</b>			<b>\$ (110.73)</b>
4	Property Services	417.1 - Expenses of nonutility operations	Below the Line	\$ (2,392.46)
5	Property Services	426.4 - Life Insurance	Below the Line	(40,859.94)
6	Property Services	426.5 - Other Deductions	Below the Line	(737.38)
7	<b>Property Services Total</b>			<b>\$ (43,989.78)</b>
8	Workforce Relations & Safety	426.1 - Donations	Below the Line	(4.00)
9	Workforce Relations & Safety	426.5 - Other Deductions	Below the Line	(444.53)
10	<b>Workforce Relations &amp; Safety Total</b>			<b>\$ (448.53)</b>
11	<b>Total Witness - Lawrence Bick</b>			<b>\$ (44,549.04)</b>
	Amounts may not add or tie to other schedules due to rounding			

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account  
For Twelve Months ended June 30, 2019  
Bick**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company) \$
1	Aviation & Travel Services	408.1 - Tax Other Than Income Tax - Payroll	Aviation	Arthur Freitas	\$ (9,833.80)
2	Aviation & Travel Services	920 - Administrative and general salaries	Aviation	Arthur Freitas	(173,979.42)
3	Aviation & Travel Services	921 - Office supplies and expenses	Aviation	Arthur Freitas	(364,259.46)
4	Aviation & Travel Services	923 - Outside services employed	Aviation	Arthur Freitas	(70,256.83)
5	Aviation & Travel Services	924 - Property insurance	Aviation	Arthur Freitas	(6,925.73)
6	Aviation & Travel Services	925 - Injuries & Damages	Aviation	Arthur Freitas	(180.87)
7	Aviation & Travel Services	926 - Employee pensions and benefits	Aviation	Arthur Freitas	(36,648.58)
8	Aviation & Travel Services	931 - Rents	Aviation	Arthur Freitas	(15.76)
9	Aviation & Travel Services	935 - Maintenance of general plant	Aviation	Arthur Freitas	(74,095.89)
10	<b>Aviation &amp; Travel Services Total</b>				<b>\$ (736,196.34)</b>
11	Property Services	507 - Rents	223.62% Incentive	Arthur Freitas/Michael Knoll	\$ (13,056.82)
12	Property Services	507 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	4,614.31
13	Property Services	507 - Rents	Business Area Adjustment	Lawrence Bick	(11,737.58)
14	Property Services	550 - Rents	223.62% Incentive	Arthur Freitas/Michael Knoll	(1,161.80)
15	Property Services	550 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	375.84
16	Property Services	550 - Rents	Business Area Adjustment	Lawrence Bick	(803.62)
17	Property Services	567 - Rents	223.62% Incentive	Arthur Freitas/Michael Knoll	(3,873.98)
18	Property Services	567 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	1,157.04
19	Property Services	567 - Rents	Business Area Adjustment	Lawrence Bick	(4,390.96)
20	Property Services	575.8 - Rents	223.62% Incentive	Arthur Freitas/Michael Knoll	(138.86)
21	Property Services	575.8 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	49.96
22	Property Services	575.8 - Rents	Business Area Adjustment	Lawrence Bick	(95.67)
23	Property Services	589 - Rents	223.62% Incentive	Arthur Freitas/Michael Knoll	(4,510.82)
24	Property Services	589 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	1,644.27
25	Property Services	589 - Rents	Business Area Adjustment	Lawrence Bick	(3,332.12)
26	Property Services	921 - Office supplies and expenses	Business Area Adjustment	Lawrence Bick	2,161.29
27	Property Services	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(5,234.50)
28	Property Services	931 - Rents	223.62% Incentive	Arthur Freitas/Michael Knoll	(10,423.57)
29	Property Services	931 - Rents	3% Wage Adjustment	Arthur Freitas/Michael Knoll	2,292.59
30	Property Services	931 - Rents	Business Area Adjustment	Lawrence Bick	(11,552.72)
31	<b>Property Services Total</b>				<b>\$ (58,017.73)</b>
32	Workforce Relations & Safety	500 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	\$ (327.43)
33	Workforce Relations & Safety	500 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	139.34

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account  
For Twelve Months ended June 30, 2019  
Bick**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
34	Workforce Relations & Safety	501 - Fuel	223.62% Incentive	Arthur Freitas/Michael Knoll	44.81
35	Workforce Relations & Safety	501 - Fuel	3% Wage Adjustment	Arthur Freitas/Michael Knoll	(17.24)
36	Workforce Relations & Safety	502 - Steam expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	1,940.22
37	Workforce Relations & Safety	502 - Steam expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	(599.96)
38	Workforce Relations & Safety	506 - Miscellaneous steam power expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	10,813.83
39	Workforce Relations & Safety	506 - Miscellaneous steam power expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	(3,590.55)
40	Workforce Relations & Safety	546 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(36.03)
41	Workforce Relations & Safety	546 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	15.33
42	Workforce Relations & Safety	560 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	4,020.71
43	Workforce Relations & Safety	560 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	(1,332.08)
44	Workforce Relations & Safety	566 - Miscellaneous transmission expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(9,934.33)
45	Workforce Relations & Safety	566 - Miscellaneous transmission expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	3,466.12
46	Workforce Relations & Safety	566 - Miscellaneous transmission expenses	Business Area Adjustment	Lawrence Bick	(26.89)
47	Workforce Relations & Safety	580 - Operation supervision and engineering	223.62% Incentive	Arthur Freitas/Michael Knoll	(2,728.78)
48	Workforce Relations & Safety	580 - Operation supervision and engineering	3% Wage Adjustment	Arthur Freitas/Michael Knoll	804.21
49	Workforce Relations & Safety	588 - Miscellaneous distribution expenses	223.62% Incentive	Arthur Freitas/Michael Knoll	(26,620.66)
50	Workforce Relations & Safety	588 - Miscellaneous distribution expenses	3% Wage Adjustment	Arthur Freitas/Michael Knoll	9,998.77
51	Workforce Relations & Safety	588 - Miscellaneous distribution expenses	Business Area Adjustment	Lawrence Bick	(423.96)
52	Workforce Relations & Safety	920 - Administrative and general salaries	223.62% Incentive	Arthur Freitas/Michael Knoll	(77,713.55)
53	Workforce Relations & Safety	920 - Administrative and general salaries	3% Wage Adjustment	Arthur Freitas/Michael Knoll	28,350.44

**Pro Forma Adjustments to XES Expenses by Affiliate Class and FERC Account  
For Twelve Months ended June 30, 2019  
Bick**

(A) Line No.	(B) Affiliate Class	(C) FERC Account	(D) Explanation for Pro Formas	(E) Sponsor	(F) Pro Formas (Total Company)
54	Workforce Relations & Safety	921 - Office supplies and expenses	Business Area Adjustment	Lawrence Bick	(8,329.45)
55	Workforce Relations & Safety	926 - Employee pensions and benefits	Pension & Benefits Adjustment	William Grant	(16,025.46)
56	Workforce Relations & Safety	930.1 - General advertising expenses	Advertising	Arthur Freitas	(142.39)
57	<b>Workforce Relations &amp; Safety Total</b>				<b>\$ (88,254.98)</b>
58	<b>Total Witness - Lawrence Bick</b>				<b>\$ (882,469.05)</b>
	Amounts may not add or tie to other schedules due to rounding				